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# MedStar Health Visiting Nurse Association

## Bringing Care and Independence Home

October 24, 2005

Commissioner Robert E. Nicolay, CPA, Chairman  
Certificate of Need Task Force  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, Maryland 21215

Dear Chairman Nicolay:

I am writing on behalf of MedStar Visiting Nurse Association (VNA), an affiliate of MedStar Health. MedStar VNA is the largest home health provider serving the Baltimore-Washington, D.C. and Virginia regions, providing over 237,000 home health visits annually. Our services include post-acute services in the form of intermittent home care, specialty care for maternal and child health, infusion, HIV care, cardiology, oncology, wound care as well as other specialty services.

The Task Force, at its July 14, 2005 meeting, preliminarily voted to recommend to the Commission that home health services be eliminated as a covered service under the certificate of need program. It is our understanding that you have agreed to revisit this preliminary recommendation before finalizing the Task Force's recommendations. To this end, we would like to comment on why we support the continuation of certificate of need regulations for home health services and particularly why the continued regulation of home health services is consistent with guiding principles for the certificate of need program subsequently developed by the Task Force.

### *Principle*

***Home health services should remain under certificate of need regulations because it promotes the quality and safety of home health services provided in Maryland***

The certificate of need program in Maryland promotes quality and safety because it establishes higher threshold standards for entry and a rigorous public review of applicant's capabilities and financial resources to establish new home health programs. Licensure and reimbursement programs generally set minimum threshold standards. Maryland, which requires certificate of

*MedStar Health*

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need for home health, has more than 40% of its home health agencies accredited by one or more of the leading national accrediting bodies as compared with Florida, a non certificate of need state which has only 17% of its home health programs meeting higher voluntary accrediting standards. Maryland currently has 48 Medicare certified agencies. Florida, which abolished its CON in 2000, has approximately 330 skilled home health agencies.

Providing high standards to entry is particularly important as testimony before the Task Force acknowledged the resources of the Office of Health Care Quality, charged with enforcing licensure standards is seriously overburden. Eliminating certificate of need and allowing uncontrolled proliferation of home health services would only overwhelm the state's ability to adequately monitor and control the quality of home health services. The low capital required to establish home health services often invites marginal providers without adequate financial resources to sustain quality services. Certificate of need oversight and high threshold standards ensures approved agencies can provide high quality services.

***Principle***

***Home Health Services should remain under the certificate of need program because it promotes improved access to home health services by addressing the needs of the underserved populations and racial disparities which presently exist.***

The competitive certificate of need process incentivizes potential applicants proposing new services through criteria and standards that give preferences to applicants proposing to developed services for populations with special needs that otherwise would not be developed purely based on market competition. The fastest growing sector of the home care market is among for-profit agencies. Having greater numbers of home health agencies does not alone mean improved access to care particularly in urban and rural areas. The use of access criteria and standards promotes the development of programs and services that serve areas and populations, which left strictly to market forces, would not be adequately served.

***Principle***

***Home health services should remain under the certificate of need program because the competition through market forces will only result in significantly higher costs.***

The proliferation of home care agencies will increase the competition for a shrinking pool of registered nurses. According to the National Center for Health Workforce Analysis in 2005, Maryland had 8% fewer full time registered nurses than are need across all health care providers. By 2010, there will be 18% fewer full-time register nurses and by 2015, it is projected there will be 25% fewer nurses.

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To attract nurses, health care organizations are offering incentives such as signing bonuses, and bidding up salaries, which has resulted in nurses changing jobs every six to 12 months for bonuses and salary incentives. The high turnover of nurses in home health is not only a cost issue; it's a quality issue.

Based on the adopted principles for the certificate of need program, home health services should certainly remain a covered service and we would urge you to reconsider your prior vote and maintain home health services under the state's certificate of need program.

Thank you for considering these comments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steven A. Johnson".

Steven A. Johnson  
Interim President

Cc: Michael C. Rogers  
Kenneth A. Samet  
Steve Cohen  
Clarence Brewton, Jr.